

Senate Bill No. 220

CHAPTER 273

An act to add Sections 17.1 and 25620 to the Corporations Code, relating to business organizations.

[Approved by Governor September 3, 2003. Filed
with Secretary of State September 4, 2003.]

LEGISLATIVE COUNSEL'S DIGEST

SB 220, Romero. Business organizations.

Existing law in the Corporations Code sets forth various provisions regulating, among other things, corporations, partnerships, limited liability companies, and unincorporated associations. Existing law defines various terms for the purposes of those provisions, including the term "signature."

This bill would provide that the term "signature" includes a signature in a facsimile document presented to the Secretary of State. The bill would require the Secretary of State to accept facsimile signatures on documents delivered by hand or mail and would authorize the Secretary of State to adopt procedures permitting the direct electronic or facsimile filing of documents. The bill would also authorize the Commissioner of Corporations to prescribe circumstances under which to accept electronic records or electronic signatures.

The people of the State of California do enact as follows:

SECTION 1. Section 17.1 is added to the Corporations Code, to read:

17.1. (a) In addition to the definition set forth in Section 17, the term "signature" includes a signature in a facsimile document filed pursuant to this code or pursuant to regulations adopted under this code, and presented to the Secretary of State.

(b) The terms "signed" and "executed," when used with respect to the documents filed pursuant to this code or pursuant to regulations adopted under this code, and presented to the Secretary of State, include a document bearing a signature under subdivision (a).

(c) The Secretary of State shall accept facsimile signatures on documents that are delivered by mail or by hand.

(d) A person on whose behalf a document bearing a facsimile signature is submitted for filing to the Secretary of State shall maintain

the originally signed document for at least five years from the date of filing.

(e) The Secretary of State may adopt procedures permitting the direct electronic or facsimile presentation of the documents specified in subdivisions (a) and (b). However, the Secretary of State is not required to accept those direct electronic or facsimile filings until procedures are adopted.

SEC. 2. Section 25620 is added to the Corporations Code, to read:

25620. (a) Notwithstanding any other provision of law, the commissioner may by rule or order prescribe circumstances under which to accept electronic records or electronic signatures. However, nothing in this section requires the commissioner to accept electronic records or electronic signatures.

(b) For purposes of this section, the following terms have the following meanings:

(1) “Electronic record” means a record created, generated, sent, communicated, received, or stored by electronic means, and includes a record transmitted by means of facsimile machine or other telephone transceiving equipment.

(2) “Electronic signature” means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.

(c) The Legislature hereby finds and declares that the Department of Corporations has continuously implemented methods to file records electronically, including broker-dealer and investment adviser applications, and is encouraged to continue to expand its use of electronic filings to the extent feasible, as budget, resources, and equipment are made available to accomplish that goal.

